

STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL SERVICES DIVISION  
P. O. BOX 942850  
Sacramento, CA 94250-5878

DATE: August 13, 2008

PAYROLL LETTER #08-009  
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: Don Scheppmann, Chief  
Personnel/Payroll Services Division

RE: **RANK AND FILE BARGAINING UNIT 2 CONSOLIDATED BENEFIT ALLOWANCE  
REFUNDS**

Pursuant to the memorandum of understanding, the Department of Personnel Administration (DPA) has approved a retroactive Consolidated Benefit (CoBen) Allowance rate increase for rank and file employees in bargaining unit 2 effective with the December 2007 pay period. A retroactive CoBen Allowance refund will be issued to eligible employees during August 2008. The refund is calculated on a month-by-month basis for the December 2007 through June 2008 pay periods. The R02 2008 CoBen Allowance rates were updated to reflect the rate increase for the July 2008 pay period.

#### REFUND CALCULATION

The gross monthly refund amount will be based on the difference between the old R02 CoBen Allowance rates and the new CoBen rates. Rates are calculated for each monthly health deduction that was withheld as an R02 employee for the December 2007 through June 2008 pay periods and according to the employee's party rate code.

#### R02 NON-DEPENDENT VESTING COBEN ALLOWANCE RATES

Party Rate Code	New CoBen Rate	Old CoBen Rate	Gross Monthly Refund Amount
1	\$439.00	\$365.00	\$74.00
2, 4, 7 or A	\$836.00	\$696.00	\$140.00
3, 5, 6, 8, 9 or B	\$1084.00	\$906.00	\$178.00

#### R02 DEPENDENT VESTING COBEN ALLOWANCE RATES

Party Rate Code	Vesting Level	New CoBen Rate	Old CoBen Rate	Gross Monthly Refund Amount
1	Not Applicable	\$439.00	\$365.00	\$74.00
2, 4, 7 or A	50%	\$651.00	\$544.00	\$107.00
2, 4, 7 or A	75%	\$744.00	\$620.00	\$124.00
3, 5, 6, 8, 9 or B	50%	\$790.00	\$663.00	\$127.00
3, 5, 6, 8, 9 or B	75%	\$937.00	\$784.00	\$153.00

## REFUND ELIGIBILITY

To be eligible for a month's refund the employee must have been an R02 employee during the month and must have had a health deduction withheld. For example, an employee was newly hired to a R02 position subject to dependent vesting as of December 10, 2007 and received pay with health coverage at a party rate code of '2' for the December 2007 through June 2008 pay periods. She/he would qualify for 7 monthly refund amounts of \$107.00 for a total gross refund of \$749.00.

## PAYMENT INFORMATION

After the monthly refund amounts are determined, they will be summarized into one total refund amount. A 354-050 Deduction/Organization code will be used to issue the summarized refund on a Payment Type 'P' credit issue warrant reflecting the most current pay period being refunded. This deduction will be identified on the employee's Statement of Earnings and Deductions/Direct Deposit Advice as '\*HEALTH ADJ'. Federal and state taxes will be withheld from the payment. Social Security and Medicare tax if applicable will also be withheld. The refunds will be issued during the third week of August 2008.

Questions regarding this payroll letter should be directed to Sandy Westlake at (916) 324-9008 or via email at [swestlake@sco.ca.gov](mailto:swestlake@sco.ca.gov).

DS:SW:PMAB